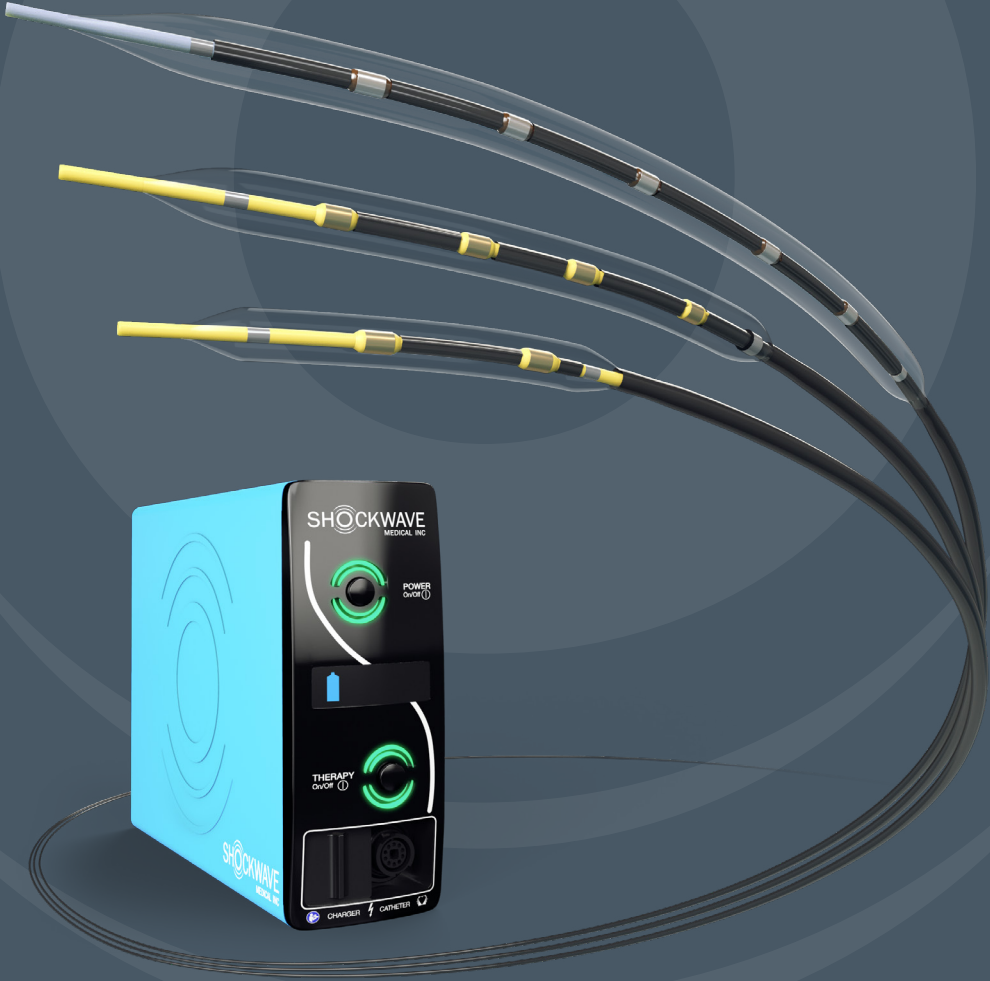




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# Letter from our CEO

## Shockwave's story is one of rapid, positive change.

Just five years ago, we were a start-up, commencing the launch of our pioneering treatment for calcified cardiovascular disease in the U.S. market. Today, we are a public company with customers in over 60 countries and a robust pipeline of medical devices in various stages of development. Backed by solid clinical results, our intravascular lithotripsy (IVL) system has been used to treat more than 120,000 patients worldwide and we have every reason to believe it will help millions.

It is immensely uplifting to see that more and more procedures are being performed using our products because we know that our hard work is helping enable human beings to live longer, healthier, fuller lives. But if we are to fulfill our purpose of improving peoples' lives, that journey extends to addressing the impact that we as a business have on the environment and the people with whom we interact, including our employees, customers, suppliers, the communities we live in and our stockholders. That is why I am proud to issue our inaugural Environmental, Social and Governance (ESG) report, which summarizes the foundational steps we have taken to become a more responsible corporate citizen.

We hope it conveys to our stakeholders the ethical values that underpin our business practices, our inclusive culture and our efforts to be good stewards of the local and global environment.

## ESG Highlights

A key strength of Shockwave is its diverse workforce, and I am particularly proud of our efforts to close the gender gap for both employees and patients. Three of our eight directors are women and our all-female mentoring group – Shockwave Women Achieving Together (SWAT) – is dedicated to advancing the careers of women in engineering, technology and cardiovascular devices. Traditionally, women undergoing coronary calcification treatment have fared worse than men, so we were delighted when our clinical data for IVL showed parity in female and male patient outcomes. Building on this discovery, we aim to launch the first all-female prospective study of coronary interventions in 2023, in the hope that IVL will level the playing field between male and female patients in calcium modifying therapy for coronary artery disease. As a lifelong environmentalist, I am constantly looking for ways to reduce my own carbon footprint, so it is a pleasure to see the whole Shockwave community pulling together to do the same through our new Environmental Taskforce. By early 2023, we aim to achieve ISO 14001 certification, giving us an internationally recognized framework for managing our environmental responsibilities. Continuing our boundary-pushing approach, we have recently signed agreements to build a new manufacturing facility in Costa Rica. As well as facilitating our future growth and scaling, this new site will further our environmental efforts thanks to its eco-friendly construction and access to Costa Rica's renewable energy grid. I am humbled and privileged to lead an outstanding team and proud of the work we have started, but I recognize that there is still much to do. As we look forward, we will continue to operate ethically and expand our sustainability efforts. We are grateful to our customers, suppliers, employees and stockholders for supporting us in this endeavor.

Let's now act with purpose to accelerate the positive change the world needs.

Sincerely,

Doug Godshall  
President and Chief Executive Officer  
Shockwave Medical, Inc.

# About Shockwave

## Corporate Overview – Who We Are and What We Do

We seek to transform the treatment of patients with calcified cardiovascular disease through our IVL technology. By enabling sonic pressure waves to be administered locally in the vasculature, our products treat calcified plaque in a way that is minimally invasive, easy to use and safe. Through our work we hope to establish a new standard of care and improve outcomes for patients around the world by:

- Treating calcium consistently throughout the coronary and peripheral arteries
- Improving safety of these challenging procedures via a unique mechanism of action
- Integrating seamlessly into interventional practice
- Ensuring complex procedures can be performed in a predictable manner
- Expanding access to interventional techniques for patients

## 2021 Key Company Stats & Milestones\*

**657** full-time employees

**60** total countries where Shockwave's products are available

**52** total U.S. patents

**73** total international patents

## FDA approval

of our Shockwave C<sup>2</sup> IVL catheters

## IVL awarded

U.S. reimbursement from CMS

\*Figures as of December 31, 2021

## The Values that Guide Us

At Shockwave, we are driven to make a lasting impact by transforming patients' lives. Our important work is only possible because of our remarkable team of talented individuals and strong culture that has developed organically. This culture is articulated in our SWAValues that guide how we pursue our mission and help as many patients as possible.

### Our SWAValues



#### We Start Sparks

We are not satisfied with the status quo. Where we are going, no one has ever been – and we like it that way. We ignite new ideas and ways of thinking in every aspect of Shockwave's business and each team member's role, not just the products themselves. We are constantly evolving and adapting to stay one step ahead of the business and two steps ahead of our peers.



#### We Expand Boundaries Together

We break down the silos and invest in each other as we believe there is no limit to what we can accomplish when we work collaboratively. Each of us brings something unique to the equation, which is why we foster the opinions of a diverse team and include perspectives from differing backgrounds to result in the best possible solutions with shared accountability.



#### We Embrace Sound Principles

We own our decisions and actions, taking responsibility for their results. That's why there is no difference between what we say and what we do. Our interactions with customers, employees, suppliers, investors and regulators are aligned with our stated aims and purpose. We believe in a level playing field and winning through strong work ethic, sound judgment and constructive feedback.



#### We Act with Purpose

We work decisively as we know there is much to be done to achieve our lofty goals of improving patient outcomes and truly make a significant impact in this industry among physicians and for the ultimate benefit of the patients they serve. We put ourselves in the physicians' and patients' shoes to make customer-centric decisions, even if we know that it makes things more difficult for us.



#### We Generate Our Destiny

We have confidence in achieving milestones that others would consider impossible based on our strong track record of success together, along with scaling our team to improve our growth trajectory. We approach our work with a positive mentality, assured that we can accomplish anything if we put our trust in working together, pushing limits and challenging the status quo.

# Our Approach to ESG

Shockwave exists to transform the treatment of calcified cardiovascular disease and make a positive impact on patients' lives. Our purpose and values are integral to everything we do. We have always operated responsibly and we strive to do the right thing. We are now working to build upon our existing efforts and formalize our approach to ESG.

## Managing our Approach from the Top

Our ESG efforts are overseen by the Board of Directors through its Nominating and ESG Committee. The committee meets quarterly and ESG matters are discussed at every meeting. Our senior leadership team is also passionate about sustainability and has been closely involved in developing our ESG ambitions and strategy, focused on five grounding principles: Planet, People, Products, Community and Governance.

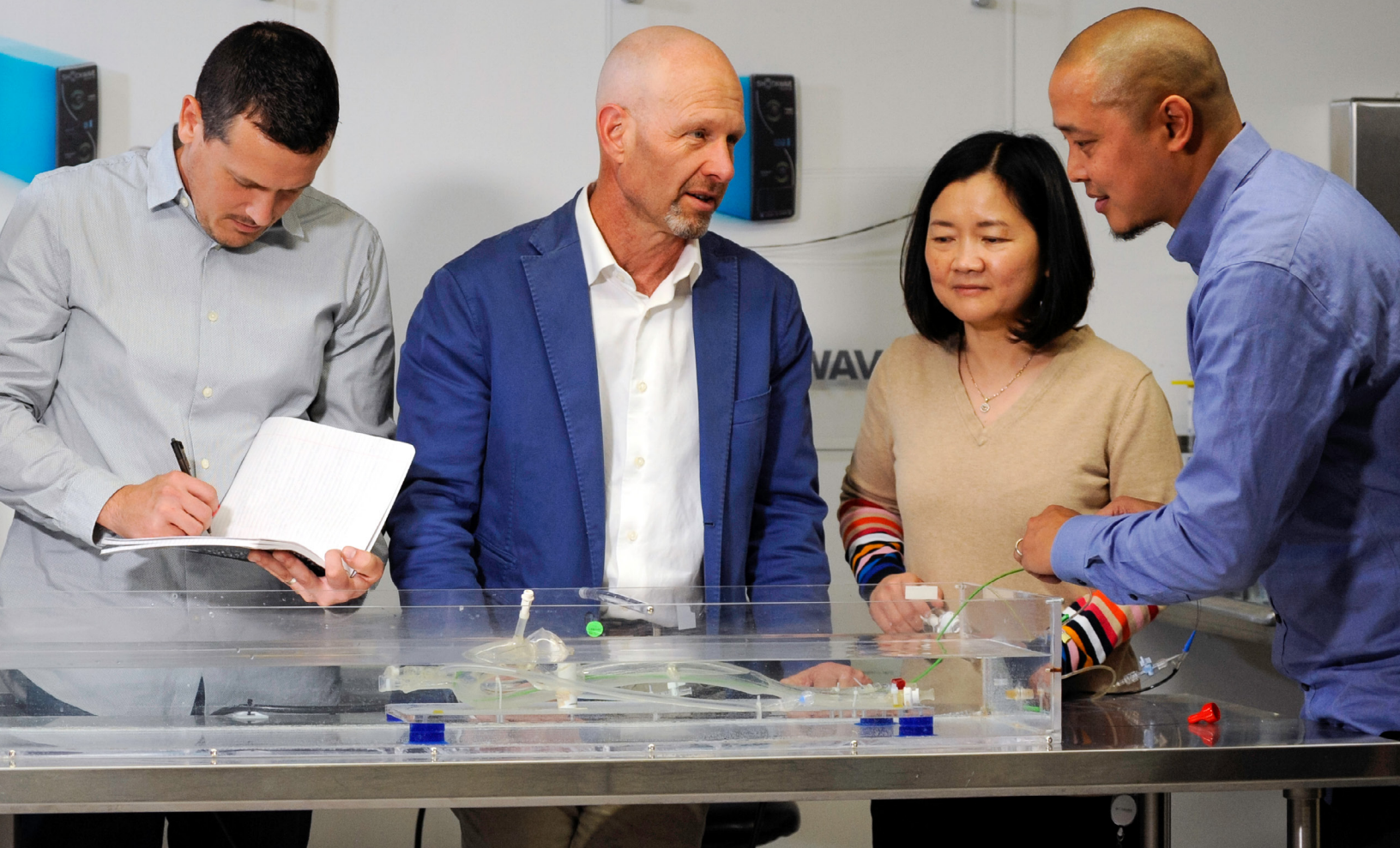
As such, we formed two ESG committees at the business level: the ESG Executive Committee and the ESG Working Group. Our ESG Executive Committee is comprised of members of our senior leadership team and is responsible for executing on the Nominating and ESG Committee's decisions and making strategic choices related to ESG, as well as overseeing the ESG Working Group. Our ESG Working Group is a cross-functional business team that is responsible for implementing company-wide ESG efforts and spearheading ESG initiatives. This ESG governance structure helps facilitate continual progress and accountability in our ESG program.

## ESG Assessment

In 2021, we conducted our first ESG assessment with the support of an independent consultant. The assessment included a benchmark review of our peers and an in-depth analysis of our ESG performance against leading frameworks and ratings. We also captured input from key stakeholder groups, including some of our largest stockholders, through a series of interviews.

This process helped us identify the ESG topics that are most important to our stakeholders and our business. These include:

- Business Ethics
- Corporate Governance
- Human Capital Management
- Product Access & Affordability
- Product Design & Lifecycle Management
- Product Quality & Safety
- Supply Chain Management



## Sharing Our Progress

During 2022, we are continuing to invest in the systems and processes needed to measure our ESG performance across a number of key metrics. These data points will help us gain a comprehensive view of our ESG impact, identify opportunities for improvement and develop strategies to achieve our goals.

This report is part of our commitment to being open and transparent about our efforts to improve our ESG performance. In creating this report, we have referred to leading ESG disclosure frameworks and standards, including the Sustainability Accounting Standards Board and Task Force on Climate-related Financial Disclosures.

We know our ESG efforts will continue to evolve as our business and the world change, and we are committed to learning throughout this journey and finding ways to make as much positive impact as possible. We will continue to update our stakeholders about our progress regularly.

# Our Planet

We are optimistic about our future here at Shockwave as we work to improve the health of people with calcified cardiovascular disease across the globe with our game-changing IVL technology. Of course, the planet's health is also important to us, and we recognize that we must do our part by operating sustainably. By using our innovation and problem-solving skills, we hope to reduce our environmental impact and become a sustainability leader among our peers.

## Environmental Management

### Monitoring

We took our first steps toward implementing a sustainability program in 2021. Since then, we have started to measure our greenhouse gas (GHG) emissions and invest in systems to monitor and reduce our environmental impact.

### Environmental Policy

In 2021, we also published our [Environmental Policy](#) to demonstrate our commitment to decreasing the impact Shockwave has on the environment. In addition to complying with applicable environmental laws and other requirements, we are committing to:

- Minimize pollution
- Limit depletion of natural resources
- Increase our recycling and composting
- Optimize energy use and reduce CO2 emissions
- Efficiently manage water resources

The policy also makes it clear that we will monitor the effectiveness of our programs through periodic management reviews and encourage our suppliers and subcontractors to adopt comparable practices. Our Environmental Policy acts as our guiding principle to keep all of Shockwave focused on our goal of becoming a more sustainable global citizen.

### Environmental Task Force

We extended our commitment to climate action with the launch of our Environmental Task Force in 2022. Spearheaded by our CEO, Doug Godshall, who has a personal passion for and commitment to the environment, this cross-functional team meets periodically to scrutinize, measure and monitor our operations from an environmental perspective. The task force works to identify opportunities to reduce our carbon footprint and make efficiencies in energy, water and waste.



## ISO 14001

Achieving ISO 14001 certification is one of the main goals we began working towards in 2022. ISO 14001 is the internationally recognized blueprint for companies seeking to set up an effective environmental management system and is a priority for our customers and investors. We have embarked on the required training with the aim of becoming certified by early 2023.

Using the ISO 14001 framework, we will be able to manage our responsibilities systematically on a series of fronts, including controlling how our products are designed, manufactured, distributed, consumed and handled at the end of their lifecycle.

Crucially, the ISO 14001 standard contributes to no fewer than 12 of the UN's 17 Sustainable Development Goals, which seek to increase global peace and prosperity.

## Climate Change and GHG Emissions

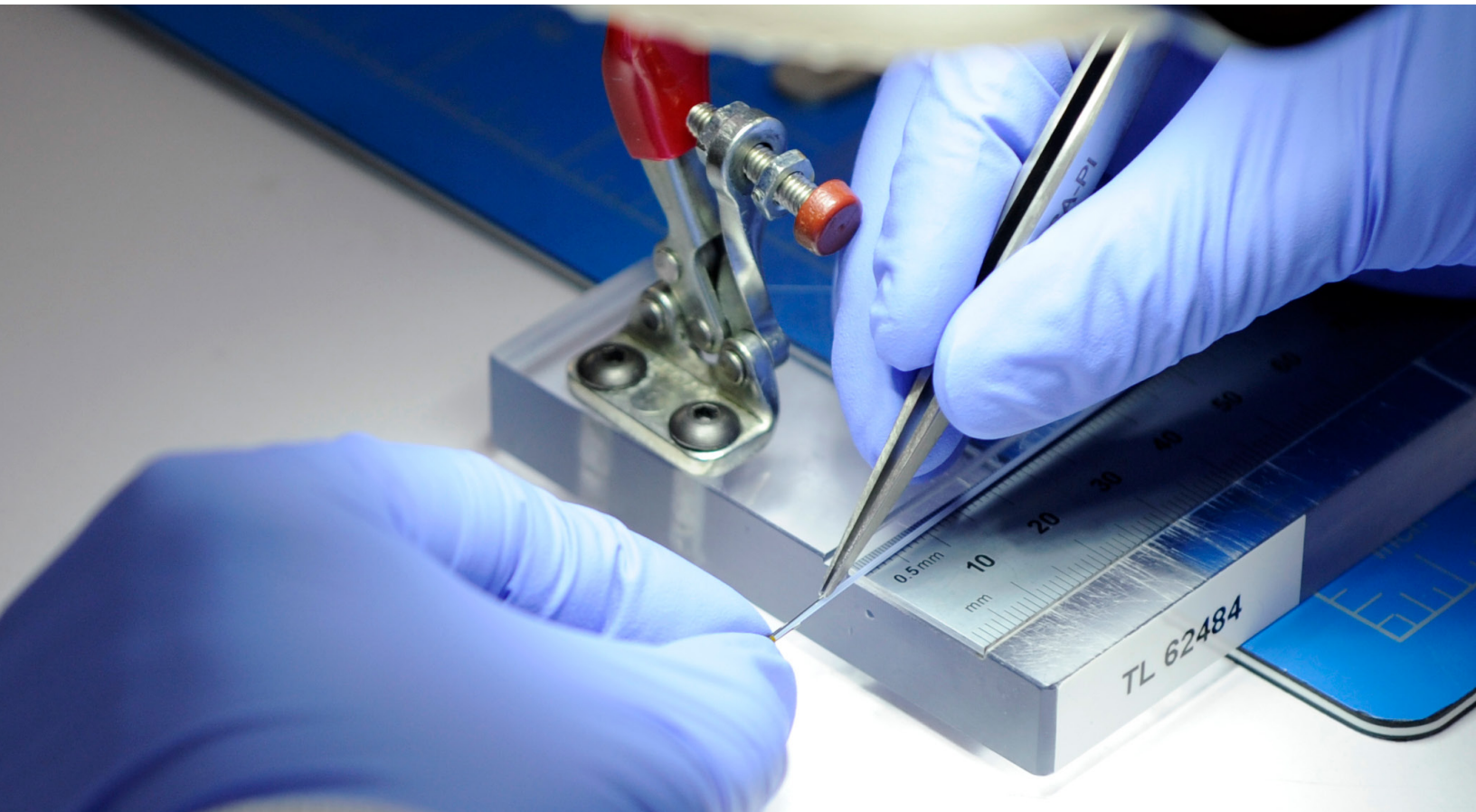
Climate change is a pressing global challenge and we are committed to minimizing the impact our company has in the progression of climate change. We made a start on this in 2021 when we began collecting data on GHG emissions. We are currently working to implement a computerized maintenance management system and aim to have Scope 1 and Scope 2 GHG emissions measured for 2022.

Once we establish our baseline, we intend to work to make progress year over year to reduce our GHG emissions. We are already taking action at our two existing sites in Santa Clara, California, and making preparations for a third new facility due to open in Santa Clara in November 2022 by:

- Increasing our bank of electric vehicle chargers, and upgrading to data-gathering smart chargers that will help us optimize usage
- Investing in more comprehensive facilities control systems to better understand our impact – across electrical, mechanical and buildings
- Adapting facilities to use free cooling and air dampers
- Centralizing control of thermostats
- Considering ways to reduce air-conditioning usage, for example, by tinting windows

## Energy and Water Usage

From 2022 onwards, we have committed to measuring our water and energy usage (including the ratio of renewable to fossil fuel-sourced power) and launching a data platform to accurately track the metrics year over year to quantify our improvements.



### Energy

In 2021, we sourced 67% of our energy from renewable sources. In 2022, we have initiated discussions with our landlord about installing solar panels on roof space and above parking lots at our buildings in California to generate our own renewable power in the future. We are also in the early stages of establishing a new manufacturing facility in Costa Rica, a country we have selected in part for its impressive renewable energy credentials (see Costa Rica Case Study below).

### Water

While our manufacturing process is not water-intensive, water usage is a priority for Shockwave given that most of our operations are in the drought-prone state of California. Currently, we monitor our usage through utility bills, but we are researching new ways to measure and track our water usage and identify opportunities for improvement.

## Waste Management

Waste is one of our biggest challenges at Shockwave, as the main material in our devices is medical-grade plastic. While this is the current industry standard, we hope the industry as a whole will eventually be able to shift to more sustainable or recycled materials and we will support its efforts. However, patient safety is our number one priority and, alongside any innovations we make in this area, the quality, consistency and clinical safety of our products will remain paramount.

That does not mean we will shy away from the challenge. In fact, our journey to becoming ISO 14001-certified obliges us to carry out a product lifecycle assessment, and this is an issue we will continue to monitor and address as innovations occur in the plastics industry.

In the meantime, we are looking at other ways to reduce, reuse and recycle. For Earth Day 2021, we encouraged our employees to bring in their old mobile phones, laptops and other electronic devices so that we could send these items to a specialist recycling service.

We also plan to centralize trash collection at our three Santa Clara sites and accelerate paperless operations and communication by, for example, adding iPads to the manufacturing floor.

Shockwave complies with laws and regulations on recycling and waste disposal, including Environmental Protection Agency regulations for the proper management and disposal of hazardous waste. Only fully trained employees wearing appropriate personal protective equipment are permitted to handle the hazardous chemical and biological materials involved in our manufacturing processes. All hazardous waste streams are identified, separated and collected in appropriately labeled, sealed containers and stored in a secure area before being collected by our authorized hazardous waste vendor.

### Costa Rica Case Study

We are very excited to be in the beginning stages of building a new manufacturing facility in Costa Rica, a country we selected in part because it generates in excess of 98% of its electricity from hydro, geothermal, solar and wind power.

Due to open in 2023, our new LEED-certified building will employ 200-300 people in a world-class sustainable setting with a superior air quality system, energy-efficient controlled lighting and hydration stations to eliminate the need for bottled water. The building will also have 'green walls' clad in vegetation to create a naturally cool, comfortable environment that promotes biodiversity (and prevents biodiversity loss), reduces pollution and uses rainwater efficiently. As well as LEED, we also plan for the Costa Rica facility to be Fitwel-certified by the end of 2023.

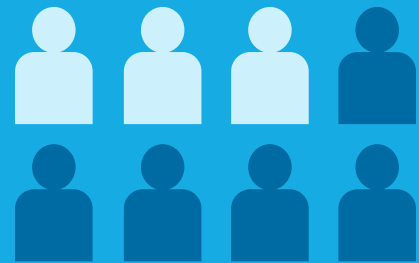


# Our People

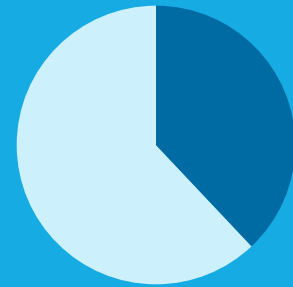
## Benefits:

- Paid Time Off
- Employee Stock Purchase Plan
- 401(K) Plan
- Comprehensive Healthcare
- Flexible Spending Account/  
Health Savings Accounts
- Flexible Work Schedule
- Student Loan Refinancing
- Legal Advice
- Commuter Benefits
- EV Charging Stations
- Parental Leave
- Employee Assistance Program
- Short-Term and Long-Term Disability
- Voluntary Critical Illness Insurance
- Voluntary Accident Insurance

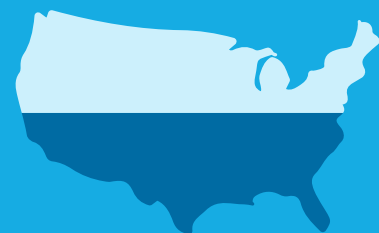
## Gender Stats\* Women make-up:



**3 of our 8**  
Board directors



**35% of U.S.**  
management positions



**49% of our**  
U.S. workforce

\*As of December 31, 2021

## Our People

No single person propels Shockwave forward. It is the sparks ignited by our whole team. Transforming the treatment of complex calcified cardiovascular disease is bigger than any one of us as an individual, but through exceptional collaboration and commitment to our shared purpose, we are breaking new ground.

# Human Capital Management

People join Shockwave for many different reasons, but the chance to improve the lives of patients around the globe is a unifying motivation. We know our future success depends on continuing to attract and retain highly skilled employees, keeping them engaged in our purpose and creating an environment in which they can succeed and grow.

## Compensation and Benefits

Our competitive mix of pay, benefits and services is informed by data and insight. We listen carefully to what candidates tell us and keep an eye on the market to ensure we are rewarding people fairly. Total compensation is assessed annually but also reviewed and adjusted as necessary throughout the year to maintain a fair, merit-based compensation system.

We want every member of our team to share in Shockwave's success. Every new hire is offered the chance to buy Shockwave common stock at a discounted rate through our Employee Stock Purchase Plan. We also assess merit increases to salary and bonuses on an annual basis, subject to individual and company performance.

We have a cash reward and recognition program to support employee engagement, morale and retention while promoting a culture of appreciation. Our employees are encouraged to recognize each other for going above and beyond their normal job duties. This program has four different reward tiers with corresponding bonuses ranging from \$25 to \$3,000. We really strive to make employee recognition a cornerstone of our company culture.

Over the last two years, we have increased paid time off from 15 to 20 days per year for full-time employees with our part-time employees accruing paid time off on a pro-rata basis. To show our appreciation for continued service to Shockwave, paid time off increases over time with extra annual leave awarded to employees on their 5th and 10th year work anniversaries. We believe that our paid time off, together with our flexible work schedule and generous parental leave, gives our team time to relax, recharge and balance life outside of work.

While many of our employees can work remotely, some need to commute regularly to our sites, especially those working in research & development, operations and quality assurance. Thanks to our commuter benefits program, staff can set aside up to \$270 per month pre-tax to subsidize their public transit costs.

## Talent Development

Helping each employee to reach their potential is good for the individual and good for business. Alongside yearly reviews, we provide formal and informal training opportunities and encourage continuous dialogue between managers and employees around performance and development.

We believe hiring and developing more women, particularly in engineering and design, provides more diverse experiences that will continue to strengthen our work environment and our product offerings. As a reflection of this, one of our female engineering leaders spearheaded the formation of our SWAT team (Shockwave Women Achieving Together), an all-female mentoring group supported by our female board members to share experiences, build connections, promote development and advance the careers of technical women at Shockwave. In addition to mentoring internally, the group has brought in guest speakers across the medical device industry, hosted a cross-functional product fair and led workshops in technical writing. The SWAT team will continue to host professional development workshops and brainstorming sessions on a recurring basis.

## Employee Engagement

With some of our team hybrid working, reaching out is more important than ever to foster collaboration and prevent isolation. To better understand the needs of our employees, we conducted our first employee survey in August 2021.

Our CEO leads quarterly all-hands meetings to update everyone on key business developments. In these meetings, all participants may ask questions directly to the executive team, with the option to do so anonymously, if desired.

For day-to-day communications, we have introduced an enhanced company intranet site, The Pulse, that highlights important business matters, profiles our employees and provides resources that help them do their jobs more efficiently. Thanks to our various forums, employees can seek out help and make their voices heard.



## Health and Well-being

When offices began to reopen as the pandemic eased, we decided not to impose a mandatory return-to-office and unnecessary commutes on our workforce. Some employees have preferred coming into the office, while others have found the time saved from a stressful Bay Area commute allows them to increase productivity and maintain a healthier work-life balance. Our approach to hybrid working is hands-off, and although we believe this model is most effective with consistency to allow our team to collaborate in person, we trust our employees to do the right thing for both Shockwave and their own well-being. After all, these successes are deeply intertwined.

Of course, some of our employees do critical on-site work that is essential to the operation of the business. To improve their safety, we are close to finalizing a set of Standard Operating Procedures and developing a training matrix to ensure each staff member is trained to the appropriate standard for their specialist area.

We have an Injury Surveillance Program, emergency action plan and communication plan for handling chemicals. We also have an emergency response team that is trained continuously.

We also support the overall well-being of our people. Shockwave's flexible and convenient health and wellness programs are designed to help our employees and their families, including benefits that:

- Provide protection and peace of mind should events impact their financial well-being or require them to take time away from work
- Offer choice where possible so they can customize their benefits to meet their needs and those of their families
- Provide tools and resources to encourage healthy behaviors and boost physical and mental health

## Equality, Diversity and Inclusion

Shockwave is on a mission to build and empower an equitable, diverse and inclusive (EDI) workforce.

We are particularly proud of our work so far to level the gender playing field. Three of our eight directors are women, 35% of U.S. management positions are held by female employees and 49% of our U.S. employees are women. Our all-female SWAT team (see Talent Development) is the start of what we hope will eventually be a network of Employee Resource Groups where employees with shared identities can come together to support and inspire each other.

But we want to do more, particularly to attract and retain talent from underrepresented populations. In 2020, we launched our EDI Council to push us forward, and in 2021 we established a formal [Equality, Diversity and Inclusion Policy](#) (EDI Policy). Led by our executive leadership and driven by a diverse cross-functional team, this is our blueprint for sustainable cultural change.



As laid out in the EDI Policy, we expect all employees to adhere to Shockwave’s core values for honesty, integrity and mutual respect. They are also required to complete annual diversity training to work to overcome unconscious bias and to encourage behavior for themselves and for others that supports a work environment free from discrimination and harassment.

Diversity of thought, background and life experience is what makes the Shockwave team a formidable force, and we have begun collecting data and KPIs on candidate and employee diversity. These principles extend all the way up to our Board, as we have added two experienced directors to our Board in the past two years, both of whom are women and from underrepresented minorities.

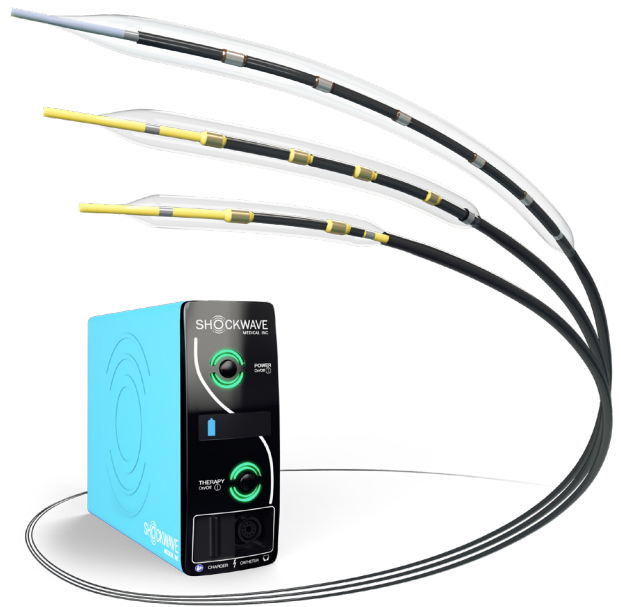
One of our EDI goals was to identify the observances and celebrations that hold special significance to our employees. In 2022, we have celebrated Black History Month, Pride Month, Women’s History Month, the anniversary of the Americans with Disabilities Act, Asian American and Pacific Islander Heritage Month, and Hispanic Heritage Month. We also celebrated Juneteenth in 2022 and it will be an official Shockwave observed holiday beginning in 2023.

Last but not least, we have recruited a Total Rewards director who will continue to evaluate our compensation and benefits programs to ensure equity and fairness in all our rewards and benefits programs. We hope this will help us to attract the brightest candidates and empower them throughout their career journey at Shockwave.



# Our Products

Calcified cardiovascular disease is a growing global challenge, as it tends to increase as people age, and globally the number of people over 65 is projected to double in the next three decades. While the prevalence of coronary arterial calcification is age and sex-dependent, according to a study published in the American Journal of Cardiology, more than 30% of patients that undergo treatment to open a blocked artery have severely or moderately calcified lesions.



We have adapted lithotripsy, a procedure used successfully for over 30 years to break up kidney stones, to transform the treatment of calcified cardiovascular disease. The localized sonic pressure waves delivered by our IVL technology crack arterial calcium in a safe and minimally invasive way to significantly improve patient outcomes.

We believe our IVL system can become a new standard of care as the safest, most effective means of treating cardiovascular calcification. The positive physician feedback we receive inspires us to keep going, acknowledging that what we have achieved today barely scratches the surface of the possibilities. We are confident we can apply our IVL technology to a wide range of indications throughout the cardiovascular system, and we already have several products in the pipeline at various stages of development.

## Quality and Safety

Patients are at the forefront of everything we do, and we will not compromise on quality, safety or integrity. Quality and safety are ingrained in our culture and guide how we operate.

As such, we maintain rigorous quality control and testing procedures to ensure the safety of our products for our customers and their patients, as well as our employees. These procedures have earned us several quality-related manufacturing designations. Our manufacturing facilities are compliant with:

- ISO 13485 standards for medical devices
- European medical legislative requirements (Directive 93/42/EEC and Regulation 2017/745)
- US Food and Drug Administration (FDA) Quality System Regulations for medical devices (21 CFR part 820)

## Our Products

Our robust quality management system is integrated to cover every aspect of the organization's activities, from environment and change control, to document management and risk management (including Corrective and Preventative Action subsystem) as well as post-market surveillance. We also require third-party manufacturers in our supply chain to follow our detailed designs and strict testing protocols. Along with our quarterly internal audits, we are audited by both the FDA and our European Notified Body, the British Standards Institution (BSI). In October 2021, we were issued the Medical Device Single Audit Program (MDSAP) certification from BSI. The MDSAP certification allows for a single audit of our quality management system to satisfy the requirements of five different regulatory jurisdictions: Australia, Brazil, Canada, Japan and the United States.

All employees are trained on quality and safety policies during onboarding. Our quality policies and procedures are reviewed (and revised, if necessary) every two years, which triggers retraining for all employees. Meanwhile, operators are also trained on a case-by-case basis when there are relevant updates. Training is documented and considered part of the employee evaluation process.

Our approach to quality and safety is not just led from the top. Our quality team has weekly meetings to review complaints, concerns and other feedback, while the quarterly product experience review and twice-yearly management review provide the big picture so that we can make strategic improvements where necessary. Comments from physicians and sales reps received from customers at medical conferences are fed back into the R&D process to enhance our next generation of products.

In line with regulations, we have specific procedures in place in the event that we are required to recall a product. A recall would be overseen by a recall committee made up of VPs from various departments. To date, we have never been required to issue a mandatory recall of any of our products.

## Product Design and Lifecycle Management

Thanks to our dynamic product innovation process and management philosophy, we are an agile and versatile operation that works hard to develop innovative new products. We have recruited and retained engineers and scientists with significant experience in developing medical devices. We now have a pipeline of products in various stages of development that are expected to provide additional commercial opportunities.



## Access and Affordability

All patients should have access to affordable, high-quality medical devices to help them live longer, healthier lives. IVL is a relatively new therapy and as such Shockwave is working with both public and private payers around the world to obtain coverage and payment for IVL therapy so that physicians can access IVL for their patients. This global effort is a long-term endeavor for a novel therapy such as IVL, but we are pleased by the progress we have been making with our early successes coming in countries where we sell directly to hospitals. Shockwave has an entire team of professionals dedicated to facilitating patient access around the world.

## Supply Chain

The rigor we apply to our own practices is extended to our third-party contract and component manufacturers.

Our supplier approval process begins with an evaluation questionnaire and a First Article Inspection of relevant components. Shockwave conducts an audit and analyzes the supplier's certifications, track record and reputation in the industry.

Once a supplier is approved, we monitor and reevaluate its performance periodically to ensure it continues to meet Shockwave's requirements. We carry out annual audits of tier 1 suppliers and performance-based audits of tier 2 and 3 suppliers. All our third-party contract and component manufacturers sign a quality agreement with us to, among other things, maintain their certifications and notify us of any issues.

## Conflict Minerals

As set out in our [Responsible Minerals Sourcing Policy](#), we support responsible supply chain management and efforts to eliminate the use of tin, tantalum, tungsten or gold from sources that could contribute to armed conflict or human rights abuses in the Democratic Republic of the Congo and adjoining countries.

We conduct due diligence aligned with our policy to source responsibly and collaborate with other stakeholders. We expect our suppliers to undertake reasonable due diligence to avoid using conflict materials in the raw materials and components they supply to Shockwave. As required by the Dodd-Frank Act, we file a conflict minerals report with the Securities and Exchange Commission.



## Our Community

Shockwave is proud to be part of the scientific and medical communities that are improving the lives of people around the world. However, we are just beginning our efforts to give back to the communities where we operate. We are starting our charitable and volunteer work closer to home before branching out to the other geographies where we have a presence.

Our hometown of Santa Clara, California, the heart of Silicon Valley, is a relatively expensive place to live, and we recognize that we have resources to share with those less fortunate. Recognizing our growth from a start-up to a sizeable company with products being sold or distributed in more than 60 countries in just a few short years, we want to use our collaborative culture and sound principles to support the local community.

## Encouraging Volunteering

Every employee has eight hours of paid time off a year to volunteer for a charitable organization of their choice, and much of our workforce chooses local causes where they can make a real impact. We plan to coordinate these non-profit days formally in the future through our partnership with corporate volunteering experts WeHero. For example, employees in our HR team recently held a joint volunteering day to create thank you kits for first responders.

## Supporting Local Charitable Programs

When the pandemic forced us to cancel our summer picnic in 2020, we asked our employees where they would like to divert the funding. They chose three causes close to our hearts:

- Family Giving Tree, which is dedicated to children facing financial hardship in the Bay Area
- Girls Who Code, which aims to close the gender gap in technology
- Disabled American Veterans, which supports military veterans of the U.S. Armed Forces and their families

In fact, we are long-term supporters of Family Giving Tree, which is based just a few miles from our Santa Clara headquarters. In 2021, Shockwave employees donated to the charity's Back-to-School Drive, funding backpacks for in-need children, to which the company added an additional lump sum. We are also regular supporters of the organization's Holiday Wish Drive, funding children's gifts that spread comfort and joy.

Shockwave staff can often be found volunteering at our local Second Harvest Food Bank, and we are also partners of World Central Kitchen - a non-profit that provides meals in response to humanitarian, climate and community crises across the globe.

We plan to formalize a matching program so Shockwave employees can choose the charities and causes that are close to them.

## Shockwave Support for Ukrainian Refugees

When Russia invaded Ukraine on February 24, 2022, two million refugees fled for their lives over the border into Poland. "These were women and children who arrived in a foreign country with no place to go," explains Shockwave's VP of International Justin Gray. "In some cases, they were sleeping in a cold train station."



We joined forces with our Polish distributor, Symico, to sponsor a hotel sheltering Ukrainian refugees in the city of Wroclaw. We organized a GoFundMe campaign and attracted donations from generous Shockwave employees. With direct contributions from Shockwave, the hotel was able to house 32 refugees during the terrifying early months of the war. Many of the refugees eventually felt safe enough to return to their homes in Ukraine while others found jobs and places to live in Poland with the help of the hotel owners. Although the immediate need for resources has subsided, the Shockwave team is on standby to provide support again should it be needed.

# Addressing the Outcome Inequality Gap Between Females and Males in Cardiology

Far too many women are living with undetected coronary artery disease due to a lack of knowledge about sex-based differences in cardiovascular symptoms. Additionally, females have been under-represented in clinical trials to date and can be subject to unconscious bias in the cath lab when they are finally treated. All these factors have resulted in an outcome gap between females and males.

At Shockwave, we want to close this gap in female patients with calcified coronary plaque. We started by bringing together several all-female advisory boards to explore what our role could be. After examining data from our coronary study through this process, we were delighted to see that our results in female patients were similar to those in males, which runs counter to the findings of studies with other calcium modification tools. However, our own data had many limitations, and we knew that we could and needed to do more.

This fall we announced the initiation of the first prospective all-female study of coronary interventions – EMPOWER CAD – led by an all-female team of principal investigators. If we are successful, data from this study could help us further close the clinical outcomes gap for females with calcified lesions and potentially make IVL a front-line therapy for this patient cohort.

Exacerbating the shortage of female cardiovascular data is a lack of female interventional cardiologists, who make up only 5% of physicians in their specialty. Shockwave has partnered with various organizations including Women as One and the Society for Cardiovascular Angiography and Interventions' Women in Innovations committee to get more women into the interventional cardiology profession and develop their skillsets on the job, particularly in leadership roles. We know we are not the only company committed to this effort, but we seek to lead this cultural change from the industry's perspective, which we hope, will translate to better patient outcomes for females.

The logo for EMPOWER CAD features the word "EMPOWER" in a bold, white, sans-serif font. The letter "O" is replaced by a stylized graphic of three concentric circles with a crackle or ripple effect. Below "EMPOWER" is the word "CAD" in a similar bold, white, sans-serif font. The entire logo is centered on a dark blue background with faint, overlapping circular patterns.

# Governance at Shockwave

High ethical standards underpin all our activities at Shockwave. By setting clear expectations and fostering a culture of integrity and transparency, we strive to uphold the trust of our valued stakeholders.

Backed by mandatory training and rigorous oversight, we prioritize safety and compliance so that problems are swiftly addressed and employees can work with confidence on innovative products for the benefit of patients and healthcare professionals.

## Shockwave's ESG Governance Structure

### Nominating & ESG Committee

oversees the implementation of Shockwave's ESG strategy and receives regular updates on ESG matters.

### Executive Steering Committee

monitors Shockwave's progress on ESG strategy by overseeing the ESG Working Group and reporting to the Board on progress.

Finance

Legal

Marketing

HR

Operations

Commercial

Quality

IR

### ESG Working Group

implements Shockwave's company-wide ESG efforts; responsible for execution, including collecting data and spearheading ESG initiatives.

Legal

Marketing

HR & EDI

EH&S

Clinical Affairs

Facilities & Operations

Quality

Supply Chain

IT Security & Privacy

Compliance

## Governance Highlights



**3 of our 8 board members are women**



**2 of our 8 board members come from underrepresented minorities**

**2106 hours of compliance training completed in 2021**

**Working towards cybersecurity ISO 27001 certification**

**30% improvement in company cybersecurity culture score from 57% to 87% (2021-22)**

# Board Overview

## Our Board Committees

Shockwave's robust governance structure is overseen by three standing committees, each of which is composed of independent directors.

- The Audit Committee oversees the integrity of Shockwave's financial statements, the qualifications and performance of our independent auditor, as well as the effectiveness of internal controls over financial reporting. It also monitors Shockwave's compliance with legal and regulatory requirements and our [Code of Business Conduct and Ethics](#) (Code of Conduct).
- The Compensation Committee is responsible for Shockwave's compensation policies and practices. It oversees executive and director compensation, administers our stock and equity incentive plans and retains independent compensation consultants.
- The Nominating and ESG Committee is responsible for identifying qualified director candidates, recommending director nominees and appointments to Board committees, evaluating Board performance, overseeing director compensation and our [Corporate Governance Guidelines](#). As of March 2022, the committee is also responsible for Shockwave's ESG strategy.

## Board Composition

Our Board of Directors consists of experienced professionals from the medical device and healthcare industries whose experience, reputations and qualifications provide Shockwave with best-in-class oversight and governance.

In the past two years, we have made concerted efforts to increase the diversity of our Board to better reflect the populations we serve. Currently, three of our eight directors are female and two are from underrepresented minorities.



## Corporate Governance and Risk Management

Our Board sets corporate governance policies, practices and strategic direction and is accountable to our stockholders. In carrying out its fiduciary duties, among other things, it ensures the company is properly addressing financial and operational risk.

We are currently engaged in an Enterprise Risk Management project that includes a risk assessment survey and the retaining of a consultant to lead a discussion by senior staff on the results. Through this process, we will prioritize risks and assign each to an owner who will be responsible for regular progress reports to the Audit Committee.

It is the responsibility of all committee chairs to report any findings regarding material risk exposures to the Board as quickly as possible. The Company's Chief Executive Officer, Chief Financial Officer and General Counsel coordinate between the Board and management to implement initiatives to any problematic risk management issues.

## Ethics and Compliance

Shockwave strives to foster a consistent culture of honesty and accountability through our compliance program, which is continuously reviewed and updated to keep pace with our rapid expansion into more than 60 countries. We strive to ensure all of our employees understand our culture, values and expectations.

Employees are required to complete the following compliance training courses during the onboarding process and annually:

- Code of Conduct
- Diversity: Unconscious Bias
- Sexual Harassment: A Matter of Respect (U.S. Comprehensive)
- Safeguarding Confidential Company Information

In addition, each year our sales team is required to complete training on healthcare compliance and complaint handling. As we continuously monitor our performance, we also provide ad-hoc training in response to any problematic patterns we identify.

In March 2022, we refreshed our Code of Conduct. Covering everything from anti-corruption to violence in the workplace, the new Code of Conduct provides clear guidance for the whole Shockwave team on our core values and ethical decision-making criteria. Failure to observe the Code of Conduct or any other company policy may result in disciplinary action, including termination of employment where appropriate.

## Whistleblower Policy

To reinforce our culture of accountability, it is essential that employees and other stakeholders can report concerns without fear of retaliation. We encourage employees to report issues to their respective manager (or a more senior colleague if their manager is implicated) or to our legal and compliance team.

Alternatively, individuals have the option to submit concerns anonymously to Shockwave's third-party ethics hotline reporting company (available 24/7). Any complaints made to the hotline or otherwise under the [Whistleblower Policy](#) are promptly investigated and reported to the Audit Committee at each quarterly meeting, where our General Counsel and Compliance Director report on how the complaints were investigated and what actions we took to resolve any issues.

We actively encourage open dialogue and constructive criticism as a vehicle for continuous improvement. Indeed, we believe it is a testament to the confidence we instill in our workforce that several reports are by direct email or conversation rather than through the confidential hotline.

## Anti-Corruption Policy

Shockwave's [Global Anti-Corruption Policy](#) reiterates our commitment to conducting business with honesty and integrity. We act in accordance with all anti-corruption laws in the countries where Shockwave does business, including the U.S. Foreign Corrupt Practices Act 1977 and the U.K. Bribery Act 2010.

## Ethical Marketing

At Shockwave, we promote our products honestly and accurately. Our Code of Conduct, supported by other compliance policies and procedures, serves as our guide to conducting business with the highest integrity and ethical standards when promoting our products.

The annual compliance training provided to all Shockwave employees includes the relevant elements of these policies and industry-specific laws, rules and regulations.

Our promotional communications remain consistent with our product labels as approved by the regulatory body in each jurisdiction, otherwise known as 'on-label' promotion. We maintain honest, non-misleading, adequately substantiated and fair balance information on our products' risks and benefits. All promotional materials are approved in advance by cross-functional marketing and regulatory affairs teams as required by our standard operating procedure for advertising and promotion. We also provide training to healthcare professionals who speak on behalf of Shockwave and promote our products.



## Collaboration with Healthcare Professionals

Shockwave's relationship with healthcare professionals is essential to meet the needs of patients and physicians. We ensure the safe and effective use of our medical products and technologies through collaborative partnerships with healthcare professionals. These are

conducted in compliance with applicable laws, regulations and government guidance as well as transparency reporting requirements. Communication with healthcare professionals is a topic included in our annual ethics and compliance training for all employees.

## Data Privacy and Cybersecurity

Protecting our data and information technology systems is key to our ongoing success and the trust we have worked so hard to build. We focus on IT and Cybersecurity measures at both an enterprise-wide operational level and at an individual employee level. With this in mind, we implemented our organization's first Global Information Security Policy in February 2022 and established an internal and external Global Security Operations Center capability with round-the-clock monitoring and incident response.

A dedicated technical security, risk and compliance program has been formed to focus on cyber risk assessments, privacy support and internal technology auditing. We are also working with a third-party consultants to improve our data privacy systems and procedures.

To continually maintain our security posture and improve our organization's resilience against cyber threats, our goal is to achieve the globally recognized ISO 27001 security standard in 2023.

We are in the process of adding some additional key capabilities to the program, including a mobile device management system for company-owned devices to help us better control company data. We are also implementing an end-user privilege access solution to reduce our ransomware risk globally while providing enhanced security for sensitive data. And our zero-trust security control strategy, based on the philosophy of authentication and continuous verification of any person or device outside the organization's network, is due to go live in Q4 of 2022.

- Multi-factor authentication across the organization, including for remote access
- Patch management vulnerability and third-party patch management program
- Cybersecurity risk management plan with monthly metrics reporting
- Enhanced Privileged Access auditing and reporting
- Implementation of a cyber risk register
- Data loss prevention technology
- Privacy policy
- Implementation of a security operations center
- Third-party technology vendor risk management program

Employees receive weekly mandatory security awareness training, such as simulated phishing attacks. We are delighted to see this paying off in Shockwave's security culture score, which improved from 57% in 2021 to 87% in 2022.

Our Audit Committee and the full Board are responsible for overseeing our IT and cybersecurity practices and mitigation activities, including risk assessments and compromise tests, which will be conducted annually.

## Disclosures

Forward-looking statements may be identified by words such as believe, goal, plan, potential, may, will, intend, expect, strive, seek, and design, and include, among other things, statements about the Company's mission, plans, goals, assets, and programs. For such statements, the Company claims the protection of the Private Securities Litigation Reform Act of 1995. Actual events or results may differ materially from the Company's expectations. Factors that could cause actual results to differ materially from the forward-looking statements are disclosed in the Company's filings with the Securities and Exchange Commission (SEC), including under the Risk Factors heading of the Company's most recently filed Annual Report on Form 10-K or Quarterly Report on Form 10-Q. These forward-looking statements represent the Company's judgment as of the time this report was first published. These statements, like all statements in this report, speak only as of their date, and the Company undertakes no obligation to update or revise these statements in light of future developments.

The inclusion of information and data in this report is not an indication that such information or data, or the subject matter of such information or data, is material to the Company for purposes of applicable securities laws or otherwise. The principles used to determine whether to include information or data in this report do not correspond to the principles of materiality or disclosure contained in U.S. securities laws used to determine whether disclosures are required to be made in filings with the SEC, or principles applicable to the inclusion of information in financial statements.

Shockwave's IVL catheters may only be utilized by, or under the direction of, a qualified physician who is familiar with interventional vascular procedures and who has been trained prior to use of the device, including use of the generator. Additional information regarding Shockwave's products may be found at [www.shockwavemedical.com](http://www.shockwavemedical.com), including Instructions for Use and information on indications, contraindications, warnings, precautions and adverse events.

